GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:3878
ANSWERED ON:13.12.2001
PROCUREMENT OF SUBMARINES SPARES
IMAM SANADI;PRABHUNATH SINGH

Will the Minister of DEFENCE be pleased to state:

(a) whether the CBI has completed its investigation into the procurement of submarines spares atexhorbitant prices by Navy as reported in Indian Express dated September 10, 2001;

(b) if so, the findings of the CBI and the reaction of the Government to its findings;

(c) whether the spare part D (08) B Crystal is Rs. 35/- was purchased at an exhorbitant cost by the Naval authorities; and

(d) the steps, the Government propose to bring transparency in defence purchases?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO.3878 FOR 13.12.2001

The CBI has not completed its investigation.However, as part of ongoing investigations the CBI has, in June, 2001, filed an FIR in Delhi and Vishakhapatnam under the relevant sections of the Indian Penal Code and Prevention of Corruption Act.

One of the officers of the Navy and the following firms have been mentioned in the FIR:-

(i) M/s. Machinery Sales Corporation

(ii) M/s. Dynatron Services

(iii) M/s. Makalu Consulting Engineers (P) Ltd.

(iv) M/s. HC Supplies Division

(v) M/s. Chidambaram Shipcare (P) Ltd.
M/s. SG Marketing Services (P) Ltd.

Naval Headquarters have reported that the quoted price of Rs. 35/- is incorrect.The cost of the item as per the Original Equipment Manufacturer price list is US $ 415 (Rs. 13, 288/- @ $ 1 = Rs. 32/- at the time of negotiation).

Defence Procurements are made as per the laid down procedures approved by the Government.